

**DURHAM, NORTH CAROLINA
WEDNESDAY, AUGUST 25, 2004
11:00 A.M.**

Pursuant to the proper notification, the Durham City Council held a special meeting on the above date and time in the Committee Room at City Hall with the following members present: Mayor Bell, Mayor Pro Tempore Cole-McFadden and Council Members Best, Brown and Catotti. Excused Absence: Council Member Clement and Stith.

Also present: City Attorney Henry Blinder and City Clerk D. Ann Gray.

Mayor Bell called the special meeting to order.

SUBJECT: EXCUSE COUNCIL MEMBERS CLEMENT AND STITH

MOTION by Council Member Brown seconded by Council Member Best to excuse Council Members Clement and Stith from the special meeting was approved at 11:15 a.m. by the following vote: Ayes: Mayor Bell, Mayor Pro Tempore Cole-McFadden and Council Members Best, Brown and Catotti. Noes: None.

SUBJECT: NEW CITY MANAGER SEARCH

Mayor Bell noted the purpose of the meeting is to review potential search firms relative to the process for hiring a new city manager.

The Council was provided a list noting seven executive search firms. Human Resources Director Alethea Bell stated they have made contact with four of the firms. She stated they have begun doing reference checks on the firms inquiring about their experience in performing city manager searches. Also, Ms. Bell provided information on how much the firms would charge to conduct a national search.

Council held discussion on the various firms and background checks being done properly by the selected firm on applicants.

It was suggested by the Council that language be inserted in the contract stating money will be refunded if the selected firm did not provide a proper background check.

Several members of the Council spoke in support of interviewing the following search firms: Springsted Inc. of Virginia and The Mercer Group in Atlanta.

MOTION by Council Member Best seconded by Mayor Pro Tempore Cole-McFadden to invite The Mercer Group and Springsted Inc. of Virginia to Durham on September 7, 2004 at 4:30 p.m. to be interviewed by the Council was approved at 11:55 p.m. by the following vote: Ayes: Mayor Bell, Mayor Pro Tempore Cole-McFadden and Council

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Members Best, Brown and Catotti. Noes: None. Excused Absence: Council Members Clement and Stith.

The Council requested that the two firms provide information on demographics of their firms; background/history information; financial information; successful city/county manager hires and retention rate; diversity of communities where placements have been made and form of government in each of the communities.

The city also plans to post a classified ad noting the vacancy on the web sites of several major newspapers and public administration publications.

SUBJECT: CLEAR CHANNEL

At this time, the Council received an update from Alan DeLisle on Clear Channel concerning the issues and the suggestions on the next steps. Mr. DeLisle noted he received a call from the regional representative for Clear Channel noting two reasons they did not want to proceed with discussions with the City of Durham – 1) They had a lot of management changes in the works; and 2) Most of the management changes were in strategic plans. Also, he stated he received a letter from Clear Channel noting the reasons they did not want to continue the discussions and did not want to be considered as the preferred operator and asked that they be removed from that position.

Mr. DeLisle stated he made contact with the city's legal department asking if the city could move forward and open up discussions with other operators. He noted the city's legal department felt comfortable with this approach but noted if there was serious interest from other operators that the administration would need to come back before Council and formally remove Clear Channel from the document. Mr. DeLisle noted he communicated these comments to the development team and ask them to please proceed with other operators and explore opportunities. He noted there were three or four other major operators that would possibly have interest. Even though it is premature, he noted it was indicated to him that SMG had expressed an interest in talking with the city. Also, Mr. DeLisle stated he had not heard back from the House of Blues.

Mr. DeLisle noted they are making it clear up front that the city has some very important conditions in moving forward [that the operator assume the operating risks and there is a capital reserve established for the project]. He noted they have also indicated the importance of the Carolina Theatre.

Council Member Catotti stated that since the process is being reopened she suggested that the advisory board address the concerns raised by DCVB and others as to whether this is fulfilling a community need and how does it fit.

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Council Member Cole-McFadden noted the city needed to make sure the public understands how the money already raised will be spent if the theatre is not built.

Council Member Brown asked Mr. DeLisle to make comments on the mandate from the General Assembly if the facility is not built as a theatre.

Alan DeLisle noted if the city did not build the facility in 2006 or 2007 the legislation (occupancy tax) would get repealed. The money that is accumulated prior to the sunset date of the legislation - that money goes to the DCVB. However, once the legislation is repealed there is no more money going to DCVB or coming to the city.

Regarding the legislation, Council Member Catotti asked how feasible it would be to request an extension if necessary. Also, Ms. Catotti made comments relative to Capitol Broadcasting waiting for the project to move forward and if they are willing to give the city more time.

Alan DeLisle noted Capitol Broadcasting has indicated to the Mayor they would be open to an extension.

Mr. DeLisle noted DCVB is part of the advisory committee and he regularly communicated with Reyn Bowman.

Mayor Bell noted that DCVB has been part of the discussions regarding this proposal.

Mr. DeLisle reiterated that Clear Channel was very clear on what was important to the city and he mentioned this every time he met with them.

Council Member Brown made comments on the proposed Terry Sanford facility and noted maybe this would be the time to reopen those discussions.

Council Member Best stated he thought the project was great but would stand behind no more local tax dollars.

MOTION by Council Member Brown seconded by Council Member Catotti to direct the advisory team for the proposed downtown events center to remove Clear Channel as the preferred operator and to explore other operators was approved by the following vote: Ayes: Mayor Bell, Mayor Pro Tempore Cole-McFadden and Council Members Best, Brown and Catotti. Noes: None. Excused Absence: Council Members Clement and Stith.

MOTION by Council Member Catotti seconded by Mayor Pro Tempore Cole-McFadden to ask the Mayor to draft a letter to Capitol Broadcasting requesting an extension on the option time that Capitol Broadcasting has on the entertainment site with the date to be

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negotiated was approved by the following vote: Ayes: Mayor Bell, Mayor Pro Tempore Cole-McFadden and Council Members Best, Brown and Catotti. Noes: None. Excused Absence: Council Members Clement and Stith.

At this time, Mayor Pro Tempore Cole-McFadden made comments on a youth meeting she attended on Tuesday, August 24, 2004.

There being no further business to come before the Council, the meeting was adjourned at 12:40 p.m.

D. Ann Gray, CMC
City Clerk